



Pursuant to Article 9 and 25 of the Law on the Banking Agency of the Federation of Bosnia and Herzegovina (“Official Gazette of the Federation of BiH”, No. 9/96, 27/98, 20/00, 45/00, 58/02, 13/03, 19/03, 47/06, 59/06, 48/08, 34/12 and 77/12), Articles 10, 11, paragraph 3, 19, 64, paragraph 1 and Article 95 of the Law on Leasing (“Official Gazette of the Federation of BiH”, No. 85/09, 39/09, 65/13 and 104/16) and Article 18 of the Statute of the Banking Agency of the Federation of BiH (“Official Gazette of the Federation of BiH”, No. 42/04), the Management Board of the Banking Agency of the Federation of Bosnia and Herzegovina, at the session held on 24 July 2017, adopted the

**DECISION ON AMENDING THE DECISION
ON CONDITIONS AND PROCEDURE FOR ISSUING AND REVOKING AN
APPROVAL TO A LEASING COMPANY**

Article 1

In Article 1, indent 1 of the Decision on Conditions and Procedure for Issuing and Revoking an Approval to a Leasing Company (“Official Gazette of the Federation of BiH”, No. 46/09 and 46/11), a comma is added after the word “affiliates”. Before the word “appointment”, the word “and” is deleted. “and approval to perform the function of a member of a leasing company’s Management;” is added after the word “auditors”.

Article 2

A new chapter “Va. APPROVAL TO PERFORM THE FUNCTION OF MANAGEMENT MEMBER AND PROCEDURE FOR APPOINTMENT OF SUPERVISORY BOARD MEMBERS OF LEASING COMPANY” is added after Article 31.

New Articles 31a, 31b, 31c and 31d are added as follows:

Article 31a

- (1) Only a person who has obtained the FBA’s prior approval to perform the function of a member of a leasing company’s Management can be appointed member of a leasing company's Management.
- (2) The application for the issuance of the approval referred to in paragraph (1) of this Article shall be submitted by the candidate for member of the leasing company’s Management, who shall attach the following documentation to the application:
 1. decision or approval from the body responsible for the appointment of members of the Management, nominating the candidate for member of the Management, for a term of office that may be no longer than four years,
 2. proof of higher education (at least 240 ECTS credits) and other professional qualifications – a certified copy of the diploma no older than 6 months,
 3. detailed biography – CV,
 4. certified statement (or proof) that they possess the appropriate professional qualifications, the ability and experience required to conduct business operations in a leasing company, i.e. that they have at least two years of experience in leasing operations or at least three years of experience in operations in other financial institutions,

5. certified statement that they are neither a member of the Management or Supervisory Board of another leasing company in the Federation nor the procurator in another legal entity,
 6. certified statement that they were not a member of the Management or Supervisory Board of a company against which bankruptcy proceedings were initiated in the period of one year prior to the introduction of that measure,
 7. certified statement that the candidate's assets do not have an attached encumbrance registered by the competent authority,
 8. proof, i.e. records of the competent authorities as to whether criminal proceedings are being conducted against the candidate or whether a penalty, measure or misdemeanor sanction was imposed in accordance with the laws regulating financial activities or other operations related to them, fraud or financial crime, tax obligations, etc. and
 9. meets other requirements for a member of the Management in accordance with the Law on Companies.
- (3) When assessing the candidate, the FBA will assess in particular whether the candidate has had experience in managerial positions in financial institutions or other legal entities, taking into account the duration of the aforementioned and the complexity of the activities carried out by the candidate in previous managerial positions.
 - (4) If the candidate performs the function of a member of the Management in another legal entity registered outside the territory of the Federation of BiH, the FBA will assess in particular the extent to which the candidate is able to perform duties and responsibilities in an adequate manner, appropriate to the financial position of the company and the risk profile it is exposed to in its business operations.
 - (5) On the basis of the submitted documentation referred to in paragraphs (2), (3) and (4) of this Article and the information obtained ex officio, the Agency shall evaluate whether the candidate has a good reputation, i.e. conclude whether they will responsibly and conscientiously perform the activities of a member of the leasing company's Management.

Article 31b

- (1) The application referred to in Article 31a of this Decision regarding a new member of the Management or a member of the Management being nominated again shall be submitted at least three months prior to the expiration of the term of office of a member of the Management.
- (2) If the FBA revokes a member of the Management's approval to perform the function or a member of the Management ceases to perform the function of a member of the Management prior to the expiration of the term of office for other reasons, the company's competent body shall obtain the FBA's approval and appoint a new member within 90 days from the date the member of the Management ceases to perform their function.
- (3) If stipulated by the Articles of Association or the Statute, the company may, without prior approval of the FBA, appoint a member of the Supervisory Board as a deputy member of the Management on a one-time basis, for a maximum period of three months if that is necessary for the company's operations.
- (4) For the duration of the term of office of the deputy member of the Management referred to in paragraph (3) of this Article, the deputy member's membership in the company's Supervisory Board shall be suspended.

Article 31c

- (1) The FBA will adopt a Decision on the request for the issuance of the approval referred to in Article 31a within 30 days from the date of receiving the complete application.
- (2) The FBA may use the Decision on the issuance of the approval to consolidate the appointment procedure of a member of the Management and the cases defined in the provisions of Article 30c, paragraph 1, items c and d of the Law, i.e.:
 1. cessation of the function of a member of the leasing company's Management in the case of a regular expiration of the term of office the member of the Management was appointed to, and
 2. termination of employment of the member of the Management with the leasing company to which the approval refers.
- (3) In the cases referred to in paragraph (2) of this Article, the FBA shall not issue a new Decision revoking the approval to perform the function of a member of the leasing company's Management.

Article 31d

- (1) When appointing or reappointing a member of the Supervisory Board, the leasing company shall inform the FBA of it within 30 days from the date of appointment and submit documentation proving that the appointed member of the Supervisory Board meets the requirements defined in the provisions of Articles 24 and 25 of the Law on Leasing.
- (2) The documentation submitted to the FBA by the leasing company in the cases referred to in paragraph (1) of this Article shall be submitted as an original or a certified copy, and includes the following:
 1. information on professional qualifications (diploma and certified copy) and work experience (CV);
 2. criminal record excerpt (not older than 30 days from the date of appointment),
 3. original or certified copy of work permit (certification not older than 30 days from the date of appointment) if a member of the Supervisory Board is a foreigner or proof that the procedure for its issuance has been initiated (a certified copy of the application and other documentation submitted together with the application for the issuance of the work permit),
 4. certified statement (not older than 30 days from the date of appointment) that a member of the Supervisory Board has no ownership interest in a legal entity in which the leasing company has more than 5% ownership interest in its core capital,
 5. certified statement (not older than 30 days from the date of appointment) that they are not a member of the Supervisory Board or Management in another leasing company or microcredit organisation on the territory of BiH,
 6. certified statement (not older than 30 days from the date of appointment) that they are not a member of the Supervisory Board or a member of the Management of a bank that has no more than 50% ownership in a leasing company or bank that does not belong to the same group to which the leasing company belongs,
 7. certified statement (not older than 30 days from the date of appointment) that they were not a member of the Management or Supervisory Board of a company against which bankruptcy proceedings were initiated in the period of one year prior to the introduction of that measure, and
 8. other documentation deemed relevant by the leasing company.
- (3) If the FBA finds that the appointed member of the Supervisory Board does not meet the prescribed requirements when reviewing the submitted documentation, the FBA shall issue

a Decision ordering the dismissal of the aforementioned and the appointment of a new member.”

Article 3

This Decision shall enter into force on the eighth day following its publication in the “Official Gazette of the Federation of BiH”.

No.: U.O.-05-05/17
Sarajevo, 24.07.2017

**Chairwoman
of the Management Board**

Ljerka Marić, M.Sc. (Econ.), sgd.